



United Way  
of Fresno County



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**BANK ON FRESNO  
2010 REPORT**

## **Executive Summary**

The purpose of this report is to share best practices from the successful Bank on Fresno initiative. These best practices have been tested and proven to be successful. The Initiative is coalition run and includes multiple agencies from the public and private sector. Partner financial institutions reported opening 31,808 low-cost, starter bank accounts, saving clients \$12,723,200 in check cashing and service fees. Information about how easily these low-cost, starter bank accounts can be opened has been distributed to the public through partner community based organizations, the worldwide web, social networking websites, public events and festivals, college campuses, public service announcements in 10 languages, press releases, neighborhood walks as well as word of mouth.

From August of 2009 to February of 2010, there have been 24 consistent financial education workshops serving more than 386 participants. These workshops teach participants about checking accounts, savings accounts, budgeting and money management, as well as the differences between banks and credit unions. Partner financial institutions present the material for these workshops and partner community based organizations host and provide the venue. Zip codes with limited access to financial institutions and low-income constituents are the target areas for these workshops. Participant surveys distributed at the end of the workshops provide feedback on the relevance and importance of the information provided and on the financial practices of the participants.

## **Introduction**

Fresno is geographically located in the center of California and has a \$ 4.8 billion dollar agricultural industry<sup>1</sup>. It is the most agriculturally productive county in the nation, but also has the highest rate of food insecurity in the state<sup>2</sup>. The area is also one of the most diverse in the nation, having individuals from 70 ethnicities and 100 languages identified<sup>3</sup>.

In 2006, Fresno was number one in the nation in unbanked individuals<sup>4</sup>. Studies show that a \$34 million dollar check cashing industry exists here and that the number of check cashers and payday lenders significantly outnumber financial institutions. In 2006, The Brookings Institute reported that the 93706 zip code had the highest rate of concentrated poverty in the nation<sup>5</sup>. All of these factors contribute to a number of barriers that affect access to financial services, including:

- Lack of reliable transportation for unbanked individuals;
- Lack of financial institutions in high poverty and rural areas;
- Lack of basic financial education;

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<sup>1</sup> Data from the Fresno County Farm Bureau, July 2007

<sup>2</sup> California Institute for Rural Studies, "Hunger in the Fields," 2007

<sup>3</sup> Fresno County Workforce Investment Board, "The 2006 Fresno County Employment Study," 2006

<sup>4</sup> Scarborough Research, "Unbanked Consumers: Unique Opportunities for Financial Marketers," March 2006

<sup>5</sup> The Brookings Institute, "Confronting Concentrated Poverty in Fresno," September 2006

- Ethnic diversity of the area that creates an increased need for cultural knowledge and sensitivity; and
- Cultural mistrust in financial institutions.

## **Narrative**

Fresno is one of seven cities selected for Governor Arnold Schwarzenegger's Bank on California Initiative, a non-traditional approach to ensure every resident has access to mainstream financial institutions<sup>6</sup>. Bank on Fresno is a joint effort of the Office of the Governor, Office of the Mayor, Federal Deposit Insurance Corporation, United States Department of Treasury, local Financial Institutions, and Nonprofit Organizations. With United Way of Fresno County serving as the organizing agent, the coalition set a two-year goal to start 10,000 unbanked Fresno residents on the path to financial mobility by helping them open a low-cost, starter bank account and access the education necessary to manage it successfully. In the fourth reporting quarter 31,808 checking and savings accounts had been opened: triple the original goal set for Fresno.

The coalition formed in the spring of 2008. The official Bank on Fresno launch was December of that same year. When it started, the Office of Governor, Office of the Mayor, Federal Deposit Insurance Corporation (FDIC), Department of Treasury, as well as 28 community based organizations and 13 financial institutions were at the table. Designed to be coalition run, direction comes from the following subcommittees: Data Collection, Financial Education and Marketing/Training. The Design Team oversees and approves all operations.

## **Objective**

Improve the personal financial practices of Fresno residents.

## **Goal # 1**

Help “unbanked” Fresnans open 10,000 checking or savings accounts.

## **Strategy**

Disseminate information to the public about Bank on Fresno and the low-cost, starter bank accounts offered by our partner financial institutions.

## **Tactics**

### Worldwide Web

A crucial, easy and inexpensive way to disseminate information to the public is by use of a website placed on the worldwide web. Bank on Fresno created a website where information about financial education classes, financial institution locations offering the low-cost, starter accounts and other general information available to the public<sup>7</sup>. Although it is not known how many have visited the website, frequent emails confirm use of website information.

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<sup>6</sup> The other cities selected are: Los Angeles, Oakland, Sacramento, San Francisco, San Jose, and Santa Ana. The program is tailored after Bank on San Francisco

<sup>7</sup> The Bank on Fresno website is [www.bankonfresno.ca.gov](http://www.bankonfresno.ca.gov)

### Social Networking Sites

A fast way to disseminate information to thousands of people at one time is by the use of social networking websites. Bank on Fresno utilizes the following networking websites: Facebook, Myspace, Twitter and Mindhub. These sites allow us to keep in touch with thousands of people, many of whom are young adults; a group that can benefit from Bank on Fresno's low-cost, starter accounts. Postings are made whenever there is a news item about Bank on Fresno, a community event where Bank on Fresno partners will be providing information, or to promote a financial education workshop.

### Public Events/Festivals

As mentioned above, the Fresno area is one of the most diverse areas in the nation with 70 ethnicities and over 100 languages spoken in the area. This diversity makes the area a prime location for cultural festivals, celebrations and events. Members of the Bank on Fresno coalition attempt to attend every community event and disseminate as much information as possible to the participants.

### College Partnerships

Establishing partnerships with colleges and universities is an excellent way to disseminate information to the student population about Bank on Fresno. An example is the active partnership between United Way of Fresno County and California State University, Fresno. This partnership has led to the support of a study assessing financial literacy among Hispanics in California's Central Valley,<sup>8</sup> a survey of student financial practices,<sup>9</sup> and conversations with financial aid advisors about how to educate the student body about sound financial practice.

### Public Service Announcements

Because of the diversity of the Fresno area, many radio and television stations broadcast in different languages. Bank on Fresno has partnered with Univision-KFTV Channel 21 to record audio public service announcements in the following 10 languages: Armenian, Cambodian, English, French, Hindi, Hmong, Punjabi, Gujarati, Russian and Spanish. The public service announcements were distributed to radio stations that broadcast in those languages and are being aired free of charge<sup>10</sup>.

### Press Releases

Press releases inform local media of Bank on Fresno activities and elicit their participation at events and press conferences. Local media outlets who report on Bank on Fresno activities have the potential to reach thousands of people (thus helping us disseminate information to the public) and to build community partnerships.

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<sup>8</sup> This study was funded by Wells Fargo and the United Way of Fresno County. The study was conducted by Dr. Antonio Avalos, Dr. Janice Peterson and the Center for Economic Research and Education of Central California, titled "Assessing Financial Literacy among Hispanics in the California Central Valley"

<sup>9</sup> This survey was written and distributed by Dr. Tamyra Pierce, Department of Mass Communication and Journalism

<sup>10</sup> These Public Service Announcements can be heard on the United Way of Fresno County website:  
[www.unitedwayfresno.org](http://www.unitedwayfresno.org)

### Neighborhood Walks

Walking door to door in neighborhoods and placing flyers on doorsteps is a good way to disseminate information to a targeted audience.<sup>11</sup> On several occasions, Bank on Fresno has targeted specific neighborhoods where flyers were placed on doorsteps of homes. The flyers were left on door steps in a neat way, making sure the resident would see the best part of the flyer.

### Community Partners

In many communities, especially some primarily immigrant populations such as Hmong and Lao, people are more likely to try new things or change their behavior if the suggestions to change come from a trusted party. A highly effective strategy was to find community and faith based organizations to disseminate information to their clientele, and to encourage the organization to host financial education workshops. In this way, community members receive information through a trusted source and introductions to representatives of financial institutions can be established. This strategy has been particularly successful with faith-based communities.

### Engage Partners

The Bank on Fresno coalition has many diverse partners, including the Governor's Office, the Mayor's Office, federal regulatory agencies, financial institutions and community based organizations. Keeping them all engaged and informed of new developments has been a good way to keep them excited and talking about the initiative. Email updates, newsletters, and conference calls to work through details and share practices across geographic areas has proven to be the most effective way to communicate with coalition members. All partner meetings are convened on a regular basis every quarter.

### Data Collection

From the beginning of the planning process of the Bank on Fresno initiative, data collection from financial institutions regarding the accounts opened was critical. Initial coalition discussions necessarily considered issues of privacy, legality and mechanisms for collection. While many would have liked to collect demographic information, partner financial institutions warned it would be construed as invasive and infringe upon the privacy of clients. However, it was agreed that resident zip code often provides a demographic profile that could be useful in determining outreach efforts; and zip code is a necessary data point in the account process. Those banks who are able to report zip code information of their clients opening a Bank on Fresno account provide useful information that contributes to assessing the effectiveness of outreach efforts as well as financial education classes.

## **Measurement**

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<sup>11</sup> Targeted audience used in this situation means residents of the neighborhood receiving the flyers

In just four quarters of reporting, Bank on Fresno partner financial institutions have opened 31,808 accounts. It is estimated that an average family making \$18,000 in take home pay can spend \$400 at check cashing facilities for services a year.<sup>12</sup> Using this figure, Fresnans have saved \$12,723,200 in check cashing and service fees by opening an account with a financial institution.

## Goal #2

Establish consistent basic financial education workshops in low income areas and areas with limited access to mainstream financial services. Through these workshops individuals learn how to maximize income by understanding the benefits and savings involved in checking and savings accounts. They learn about gaining and sustaining assets by understanding the different financial products that financial institutions offer. Lastly, they learn how to increase financial resources and build savings by having the financial institution representative go through a budgeting or money management activity.

Establish consistent basic financial education workshops			
Goals	Strategies	Tactics	Measurements
4 per month	Engage community based organizations who serve target population Match CBOs with financial education presenters	Public announcements Event participation and information dissemination Determine BoF partner capacity to present Match CBO with partner agency	Number of CBOs Number of partners Number of workshops
60 people	Ensure a minimum of 15 attendees per workshop	Provide \$400 mini grants to CBOs to provide refreshments and incentives for participation Provide outreach materials	Number of attendees Post workshop questionnaire

## Strategy

Implement a “matchmaking” approach partnering financial institutions and community benefit organizations working in target zip codes.<sup>13</sup>

## Tactics

### Strategic Plan

A strategic plan is an excellent way to manage the delivery of basic financial education in an organized manner. Prior to organizing workshops, we developed a plan organizing four workshops per month with dates, partners, deliverables, times, contact persons and education content.

<sup>12</sup> U.S. Poverty, Welfare, Cities, Children & Families, Saving, “Brining Unbanked households into the Banking System,” April 2002

<sup>13</sup> Target zip codes are zip codes that are low income or have limited access to financial institutions

### Community Benefit Organizations

Once target zip codes were identified, community benefit organizations working in those zip codes were contacted and asked if they would be interested in hosting a workshop. Hosting meant that the organization would provide a venue, attendees and promote the workshop to both their clientele and the public. Once they agreed on hosting a workshop, they were asked to sign Memorandum of Understanding detailing what is expected of them. This approach is still used today.

### Mini-Grants

Those organizations interested in hosting a workshop were offered a mini grant of up to four hundred dollars to cover costs associated with the workshop. Today, we still offer host community based organizations this Mini-Grant. Costs can include food, childcare, printing, space rental, etc. The requirement is that the organization needs to provide at least 15 attendees.

### Financial Institutions

Once we got confirmation from the host organization, we located our nearest partner financial institution and asked if they would provide an instructor. The instructor was asked to discuss the following topics: checking accounts, savings accounts, differences between banks and credit unions and budgeting and money management. If the financial institution did not have a curriculum, we provided them with the FDIC's Money Smart. We then introduced the financial institution and community benefit organization and the "matchmaking" was complete. This approach is still used today.

### Point of Contact

Having one person act as the point of contact between the community based organization and financial institution has kept these workshops organized. The Coordinator of the program is the point of contact and follows up with the parties to see if they are in need of anything, keeps everyone on the same page, facilitates the relationship, keeps the workshops moving forward, makes sure everyone understands their responsibility, and keeps the disappointment level down just in case one party doesn't show.

### Data Collection

Data collected from these workshops is instrumental in strategic planning. After each workshop, if there is no objection from the host agency, surveys are administered to all participants, presenters and observers. This data is collected, transcribed and put into a spread sheet. Analysis of data tells us more females attend these workshops than males,<sup>14</sup> more participants are above age 48 than any other age group,<sup>15</sup> more people attend who don't have a checking or savings

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<sup>14</sup> 55 % of participants were female (August 2009 – February 2010)

<sup>15</sup> Age groups are: 15-25, 26-36, 37-47, 48 and above

account than who have an account,<sup>16</sup> and an overwhelming majority of the participants thought the information from the workshops was important.<sup>17</sup>

### Train the Trainer

In conjunction with the Federal Deposit Insurance Corporation, Bank on Fresno has had 4 *Train the Trainer* sessions where representatives from the FDIC have taught financial institutions, community based organizations and any entity interested in implementing a financial education program about training others using the FDIC's curriculum called *Money Smart*. Money Smart is a non-copyrighted program that can be used by anyone to teach or learn about banking.<sup>18</sup>

### **Community Outcomes**

In March of 2006, the Fresno area was number one in the nation in unbanked individuals.<sup>19</sup> Since the Bank on Fresno initiative launched, Fresno is believed to have moved up one needle on the national scale. From August 2009 to February 2010 there have been 24 consistent financial education workshops serving more than 386 participants.

United Way of Fresno County and the Bank on Fresno Coordinator are currently advocating for the opening of a financial institution on the Westside of Fresno County and in areas of limited access. While no direct connection can be made between participation and attendance at these workshops, the following positive self report can be presented here: participants are learning about budgeting, checking accounts and savings account.<sup>20</sup> Based on what presenters are saying, participants after the workshops are contacting them to open checking or savings accounts.

### **Community Indicators**

The presence of a greater number of check cashers and payday lenders than financial institutions is an indicator of the unbanked rate in a community. Fresno has more of these alternative financial service providers than financial institutions. In 2006, there were \$ 34 million dollars in check cashing and payday lending fees collected from Fresnans. This amount could have been saved had individuals had a relationship with a financial institution.

Another community indicator is the lack of financial institutions in high poverty areas. As mentioned above, Fresno's 93706 zip code has the highest rate of concentrated poverty in the nation. That particular zip code also has a very small

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<sup>16</sup> 39 % did not have a checking or savings account, 29 % had both (August 2009 – February 2010)

<sup>17</sup> 64 % thought the information presented was *very important* and 25 % thought it was important (August 2009 – February 2010)

<sup>18</sup> Money Smart can be found on the FDIC's website <http://www.fdic.gov/>

<sup>19</sup> Scarborough Research, "Unbanked Consumers: Unique Opportunities for Financial Marketers," March 2006

<sup>20</sup> 42% answered that they learned most about budgeting, 28% answered that they learned about checking accounts, 20% answered that they learned about savings accounts and 10% answered that they learned about something other than the three areas



of financial institutions, especially located in the most poverty stricken parts of the zip code.

For more information about the Bank on Fresno initiative or for questions regarding this report, please feel free to contact:

Yvonne Freve, Vice President Community Impact  
United Way of Fresno County  
4949 E. Kings Canyon Road  
Fresno, CA 93727  
Phone: (559) 243-3668  
Email: [yfreve@unitedwayfresno.org](mailto:yfreve@unitedwayfresno.org)

Or

Sevag Tateosian, Bank on Fresno Coordinator  
United Way of Fresno County  
4949 E. Kings Canyon Road  
Fresno, CA 93727  
Phone: (559) 243-3664  
Email: [stateosian@unitedwayfresno.org](mailto:stateosian@unitedwayfresno.org)